

Planners want Streeterville project cut in half

By Gary Washburn
Tribune staff reporter

A controversial measure that would sharply limit the size of a major convention hotel planned for a prime Streeterville site won preliminary approval Wednesday from a City Council committee over the developer's objections that the action was unfair and would have a chilling effect on other investors interested in building in Chicago.

Jack Guthman, attorney for HBE Corp., which bought 2.4 acres on Illinois Street near Columbus Drive for a 1,594-room Adam's Mark hotel, said the company probably will seek to block the "downzoning" in court if it is approved, as ex-

pected, by the full City Council. Under the measure advanced by the council's Zoning Committee, HBE could build a hotel with only 800 rooms and would lose the right to have 200,000 feet of meeting and exhibition space in the project.

The company would have new zoning to build a neighborhood residential high-rise with 100 units, a provision that Guthman said had little attraction for HBE because it is not a residential development.

The zoning change would have a "ruinous" effect on the company, which paid \$46 million for the land two years ago under the zoning then in place, Guthman said.

The action Wednesday was a

victory for local residents and community groups, including the Streeterville Organization of Active Residents, which contended that a convention hotel would generate too much traffic and congestion.

The company failed to take any action for a year after discussing its plans with the city, said Jack Swenson, a deputy planning commissioner.

Planning Department officials subsequently made an "internal reassessment" of HBE's proposal and came to the conclusion that the proposed project would be too "intensive" for the area, Swenson said.

"To treat underlying zoning as transitory, to fail to respect it, to allow fundamental change at the whim of self-serving com-

munity groups—that is, to take all the predictability out of the (zoning) ordinance—will mark Chicago as an undesirable venue to both developers and lenders," Guthman told the committee.

"This is 'greed-factor' zoning—I have mine; you can't have ours," he told reporters later.

Under the same measure, MCL Cos., another developer in the area, would lose the right to build an office building on a nearby site bounded by Illinois Street, Grand Avenue, McClurg Court and Lake Shore Drive, but could instead build a residential high-rise with up to 1,000 units.

The company did not oppose the proposed change.

EPA Region 5 Records Ctr.



226492